

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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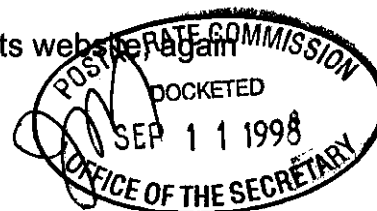
Mailing Online Service

Docket No. MC98-1

UNITED STATES POSTAL SERVICE
RESPONSE TO PRESIDING OFFICER'S RULING NO. MC98-1/4

On August 25, 1998, the Presiding Officer issued Ruling No. MC98-1/4. This ruling sets out the parameters of a Commission proposal under which parties to this proceeding are invited to voluntarily participate in the testing of experimental procedures for filing and service of documents in electronic format.

Under the proposal, no party is compelled to participate. Moreover, parties choosing to participate may select one of two different modes of participation. Under the first mode of participation, intervenors ("Full participants") would file with the Commission four paper copies of each document, together with one electronic copy. The Commission then would effect service on all experiment participants by posting the electronic copy on its website. (Full participants would agree to accept service in this way, and would be required to periodically check the PRC website and download in order to actually receive the documents). The Commission would take it upon itself also to serve all non-participating intervenors by mailing hard copy. Under the second mode of participation, intervenors ("Restricted participants") would again file four paper copies with the Commission, but would not be required to include an electronic version as well. The Commission would scan the hard copy and post it on its website again.



effecting service on experiment participants. (Restricted Participants, like their Full Participant counterparts, would agree to accept service in this way, and likewise would be required to periodically check the PRC website and download in order to actually receive the documents). Under this option, however, Restricted Participants would be required to serve hard copies on all non-participating intervenors, as is done now.

Ruling No. 4 gives notice that the Commission intends to launch the experiment on September 15, and requests interested intervenors to indicate their levels of participation no later than September 11. The Postal Service hereby provides its response to Ruling No. 4.

The Postal Service commends the Commission for its efforts to streamline participation in this and other Commission proceedings through the increased use of modern information technology. To the extent that they may lead to increased efficiencies in Commission litigation, and thus foster more expeditious and less burdensome review of Postal Service requests, such efforts further the interests of the Postal Service and the public that it serves. Such measures also have the potential to broaden access to Commission proceedings, leading to increased public awareness and involvement.

Because the experimental measures proposed by the Commission are new and untested, and because they would involve modification and supplementation of longstanding methods of participation, however, these measures also have the potential, at least in the initial stages, to impose additional transaction costs on those

parties seeking to participate. While the Postal Service recognizes that the Commission has sought to reduce the burdens of participation by offering to effect service on the parties electronically (and, in some cases, by mailing hard copy), as the moving party in this and other Commission proceedings, as the party filing most documents, and as the party with an interest in all documents filed, the Postal Service must of necessity approach such initiatives with caution, and with an eye to potential pitfalls that might to some degree undermine the smooth operation of important ratemaking functions.

After careful consideration of the Commission's proposal, the Postal Service has identified aspects of the proposed procedures which, rather than expedite service and reduce filing burdens, might actually lead to delayed service and increased burdens of participation relative to the status quo. One such aspect concerns the need to monitor and await postings, and then download and print paper copies of posted filings. In the hardcopy regime embodied by the Commission's current filing rules, the Postal Service currently receives multiple paper copies of filings from the filing parties, often delivered on the filing date by the same messengers who deliver the filings to the Commission. If this practice were to be discontinued by the parties during the experiment, it is likely that the Postal Service will experience delays in service relative to the status quo, which in most cases does not require the Postal Service to download, print and copy filings before initiating responsive efforts. Rather than speed up the process, therefore, the new procedures could make it somewhat more difficult for the Postal Service and its witnesses to respond promptly to rulings, interrogatory requests and the like.

This delay could be exacerbated should the Commission be unable to post all of each day's filings by the close of the working day. For those documents not posted until later in the evening, or on the day after filing, the Postal Service, as a practical matter, must download, print, copy and distribute such documents on the day after they are filed.

In a relatively limited case such as the instant one, the number of filings posted may be small enough so that postings can be made promptly, and the additional burdens of downloading, printing and copying on the average participant may be manageable. It should be borne in mind, however, that the Postal Service, as the moving party in Commission proceedings, is not the typical participant, and has a vital interest in every document filed with the Commission.¹ Thus the Postal Service has a reasonable concern that, given its current level of litigation support resources, a large enough number of filings posted on any given day could present significant logistical problems.²

¹ Regardless of its participation in the proposed experiment, the Postal Service plans to continue hardcopy service of all documents, even where not required by the rules. Again, as the moving party, the Postal Service considers that it must do all that it can to ensure that service is effected in a timely manner, so as to reduce the potential for procedural irregularities which could undermine the validity of Commission recommendations on appeal. Thus, until electronic service becomes a proven, routinely effective procedure, the Postal Service does not anticipate that it could benefit from the reduced necessity for hardcopy service. Two individual intervenors with access to the internet have already informed the Postal Service that they would very much like to receive hard copy service of all Postal Service documents.

² In the context of an omnibus rate proceeding, it is certain that additional support would need to be acquired for the Postal Service to participate even as a Restricted Participant. For example, on October 10, 1997 well over 50 documents were filed.

Despite the concerns outlined above, the Postal Service wishes to cooperate with the Commission in its efforts to streamline service of documents using modern information technology. Therefore the Postal Service has decided to participate in the experiment, for as long as is practical, as a Restricted Participant (see attached signed form). However, in order to address the potential problems identified above, the Postal Service respectfully moves that the Commission modify its experiment in the following respects:

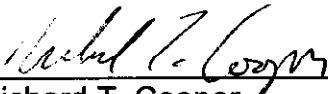
1. Require that hardcopy service be made upon the Postal Service by all parties, regardless of participation in the experiment.
2. Rule that service of a document by posting on the Commission's website is effective on any given day only if posted by 5 pm on that day.³

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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September 11, 1998

³ Of course, the document would still be considered filed if the document is received by the Docket Section prior to closing.

STATEMENT OF AGREEMENT TO PARTICIPATE IN THE ELECTRONIC SERVICE
EXPERIMENT **001528**

The undersigned agrees to participate in the Postal Rate Commission's electronic service experiment, which will be conducted from September 15, 1998 until completion of Docket No. MC98-1. As such, the undersigned will comply fully with the terms of the experiment while a participant, but is free to leave the experiment at any point upon provision of notification to the Commission.

Participation in the experiment will be on the following basis, as defined by P.O. Ruling MC98-1/^:

_____ Full Participation

 X Restricted Participation

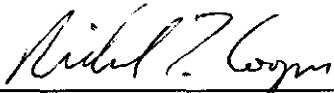
It is understood and agreed that signing this consent form for participation in the electronic service experiment binds all persons representing that intervenor.

Please return this form to the Postal Rate Commission by September 11, 1998.

Party	<u>United States Postal Service</u>
Name of Representative	<u>Kenneth Hollies</u>
Organization of Representative	<u>United States Postal Service</u>
E-Mail address	<u>khollies@email.usps.gov ebrown14@email.usps.gov</u>
Normal electronic format	_____
Signature	<u>Kenneth J. Hollies</u>
Date	<u>September 11, 1998</u>

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
September 11, 1998